

DCR Agency Update

**Senate Finance and Appropriations Committee – Economic Development
and Natural Resources Subcommittee**

January 17, 2023

Matthew Wells - Director, Department of Conservation and Recreation



Water Quality, Dam Safety, and Floodplain Management

Water Quality – Proposed FY24 Funding

- Governor's proposed budget continues to make historic investments in water quality
- \$87,113,924 WQIF deposit
 - When combined with funding from adopted budget, fully funds ag needs assessment
- \$50,000,000 supplemental deposit to Virginia Natural Resources Commitment Fund
 - Secretary of Natural and Historic Resources must develop and submit a plan for allocation of funds by September 1, 2023
- \$400,000 to provide general fund appropriation for 4 positions previously funded by federal grants
 - 3 nutrient management positions
 - 1 data services position
 - Grant funds have shifted; no longer able to be used for these purposes
 - Positions are critical to meeting Commonwealth's water quality goals

Water Quality – WQIF Detail

WQIF Total deposit : \$87,113,924	
Reserve*	\$13,319,550
Best management practices	
Within the Chesapeake Bay watershed	\$45,713,329
Outside of the Chesapeake Bay watershed	\$19,591,427
Subtotal	\$65,304,756
Technical assistance funding for Districts	\$8,489,618

*As of January 3, 2023, there was \$52.4M in the WQIF Reserve

Dam Safety and Floodplain Mgmt

- \$200M for Resilient Virginia Revolving Fund
 - \$100M FY2024 deposit contingent on meeting or exceeding FY2023 revenue estimates
 - Intended to complement, not replace, the Community Flood Preparedness Fund
 - Currently \$25M in Revolving Fund
- \$1M for resilience coordination across Commonwealth (SNHR)
- \$11.4M for flooding recovery efforts in Buchanan and Tazewell (DHCD)
- Provides 3 additional dam safety engineer positions (non-general fund)
- Legislation: Codifies EO45 requirement to develop statewide standard for development in floodplains by state agencies or on state lands
- Additional Activities: Coastal Resilience TAC, Resilience Coordination Working Group, Community Outreach and Engagement Plan, Coastal Resilience Master Plan Phase II, Virginia Flood Protection Master Plan, Community Flood Preparedness Fund Round 4, Resilient Virginia Revolving Fund Round 1

Community Flood Preparedness Fund

CFPF Grant Rounds 1-3

- 133 Applications
- Total of \$136,730,285 funds requested
- Total of \$97,736,590 awarded to grantees
- Funding for low-income areas: \$65,911,103 (67%)
- Grantees have three years to draw down funds

INCOME			EXPENSES	
Auction Round	Total All Auction Proceeds	Auction Proceeds to DCR (45%)	Total Awards/Expenses	
Mar-21	\$ 43,589,868.40	\$ 19,548,737.00	Grant Round 1	\$ 7,796,040.00
Jun-21	\$ 45,416,614.62	\$ 20,370,773.00	Grant Round 2	\$ 24,551,923.30
Sep-21	\$ 52,995,538.50	\$ 23,781,288.00	Grant Round 3	\$ 65,388,627.49
Dec-21	\$ 85,634,562.00	\$ 38,468,849.39	Subtotal Grants	\$ 97,736,590.79
Mar-22	\$ 74,219,112.00	\$ 33,281,000.00	RVRF Capitalization	\$ 25,000,000.00
Jun-22	\$ 76,418,182.90	\$ 34,388,182.31	CRMP Phase I Contract	\$ 3,100,000.00
Sep-22	\$ 73,944,212.95	\$ 33,274,895.83	Staff & Support Thru EOFY22	\$ 832,150.00
Dec-22	\$ 71,415,265.89	\$ 32,136,869.65	Planning/Staff/Support Reserve FY23-26*	\$ 30,000,000.00
Total Income	\$ 523,633,357.26	\$ 235,250,595.17	Total Expenses	\$ 156,668,740.79
Net Available			*Includes contract costs for CRMP Phase II and VA Flood Protection Master Plan	
	\$ 78,581,854.38			

Resilience Grants and Loans

- CFPF and RVRF – working together

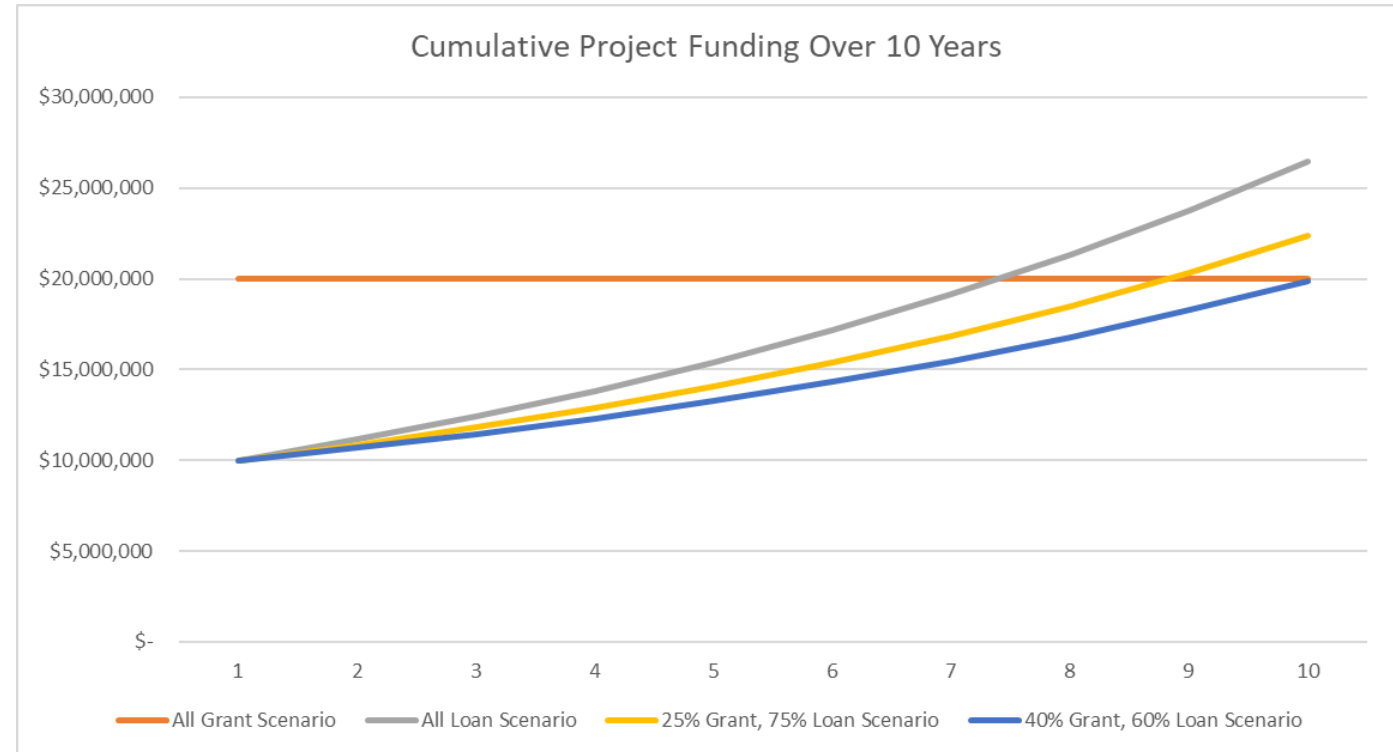
- CFPF Round 4 and initial RVRF Grant Manual(s) drafted for public comment 2023Q1, joint application period to follow
- Shift to an annual cycle, combination of grants and loans
- Goal is to have programs run together and complement each other
- Both programs have tremendous flexibility for project types; both can offer grants and loans
- Generally, the CFPF is geared towards larger, community-scale projects, while the RVRF is more directed towards individual property and buildings
- CFPF prefers nature based; has 25% low-income requirement
- RVRF prefers projects that will utilize private industry and/or serve 2+ local gov'ts; has building hazard mitigation carve-out

CFPF	RVRF
<u>Community Scale</u> <ul style="list-style-type: none">• Flood protection studies• Capacity Building• Flood Planning Activities• Hazard mitigation projects• Land acquisition• Implementation of land use controls	<u>Property Scale</u> <ul style="list-style-type: none">• Hazard mitigation of buildings• Hazard mitigation of real property• Home buyouts and relocation• Loans and grants to persons for hazard mitigation and infrastructure improvement projects for resilience purposes• Projects identified in the Virginia Flood Protection Master Plan or the Virginia Coastal Resilience Master Plan

Resilience Grants and Loans – Cont.

Grants vs Loans: Basic revolving fund capacity example - \$10 million capitalization

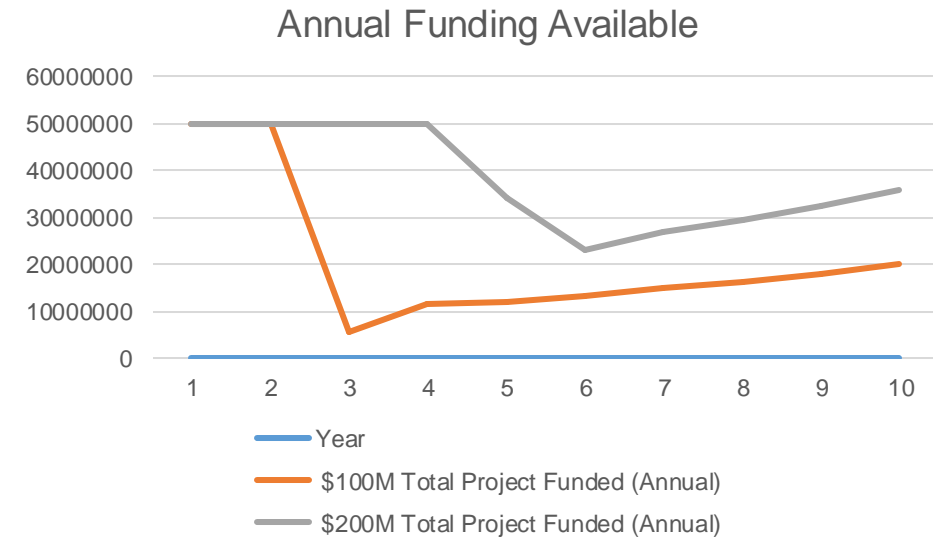
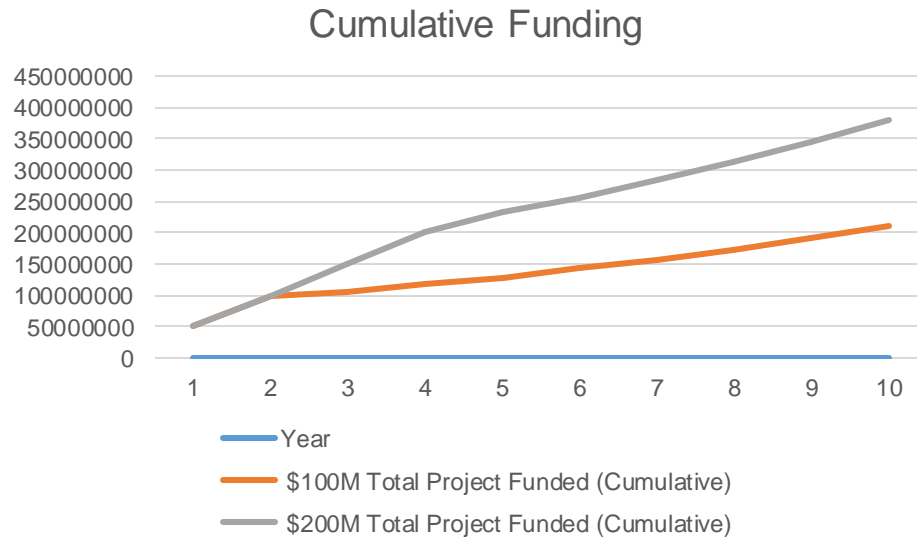
- Over a 10-year period, the loan (assumes 2.5%, 10-year loans) and grant combination funding approach meets or exceeds the project funding provided by a grant only scenario (assumes 50% match requirement for grant)
- Grant-only scenario provides highest level of funding in the early years, though funds are exhausted in year 1



Resilience Grants and Loans – Cont.

Compounding effects: \$100M vs. \$200M initial capitalization

- Assumes \$50M released from initial capitalization over initial years
- 10-year loans at 2.5% interest

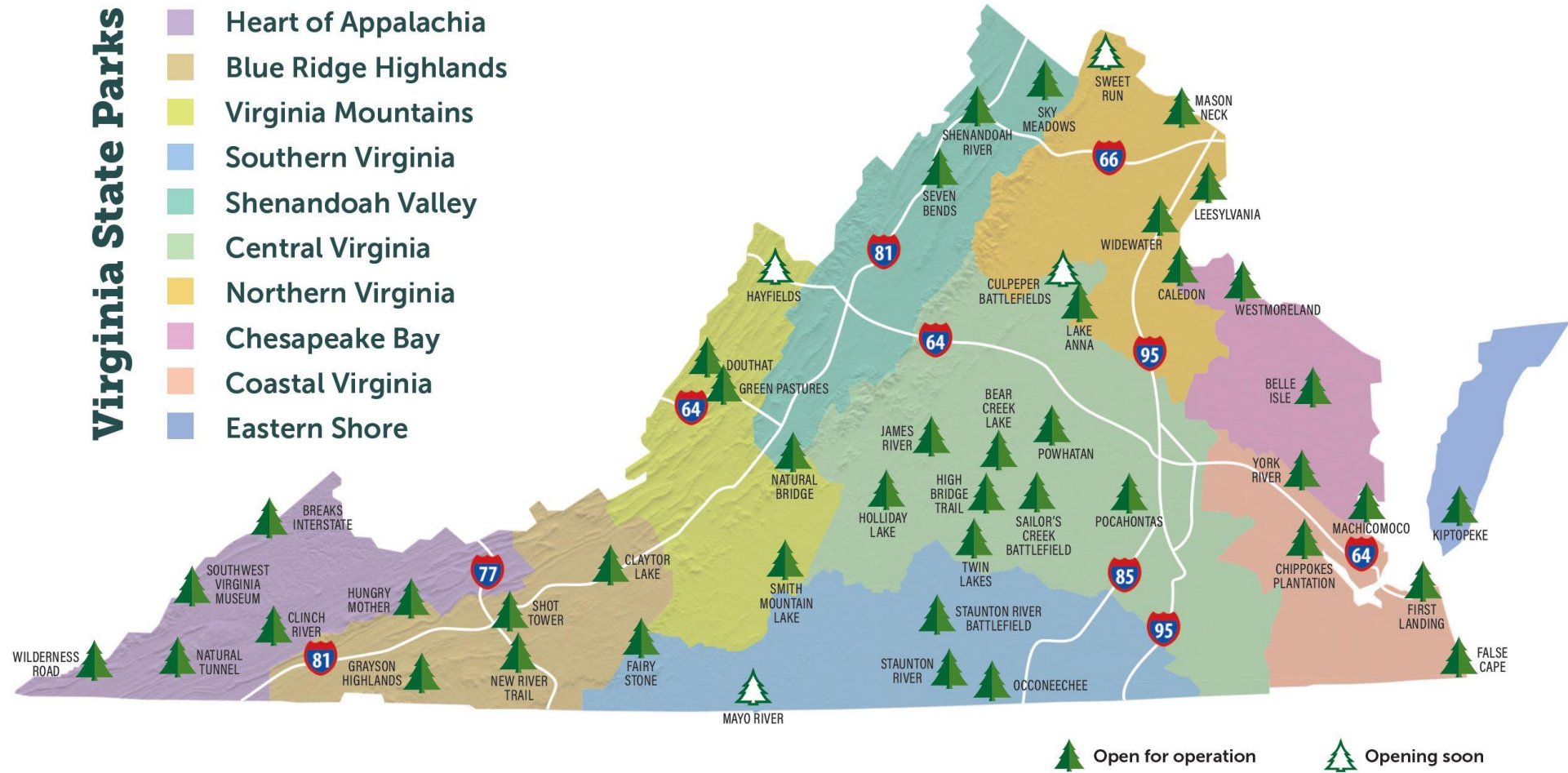


- \$100M scenario - total projects funded after 10 years: \$211,481,802
- \$200M scenario - total projects funded after 10 years: \$381,509,368
- \$100M scenario – funds available in year 10: \$19,842,095
- \$200M scenario – funds available in year 10: \$35,794,635

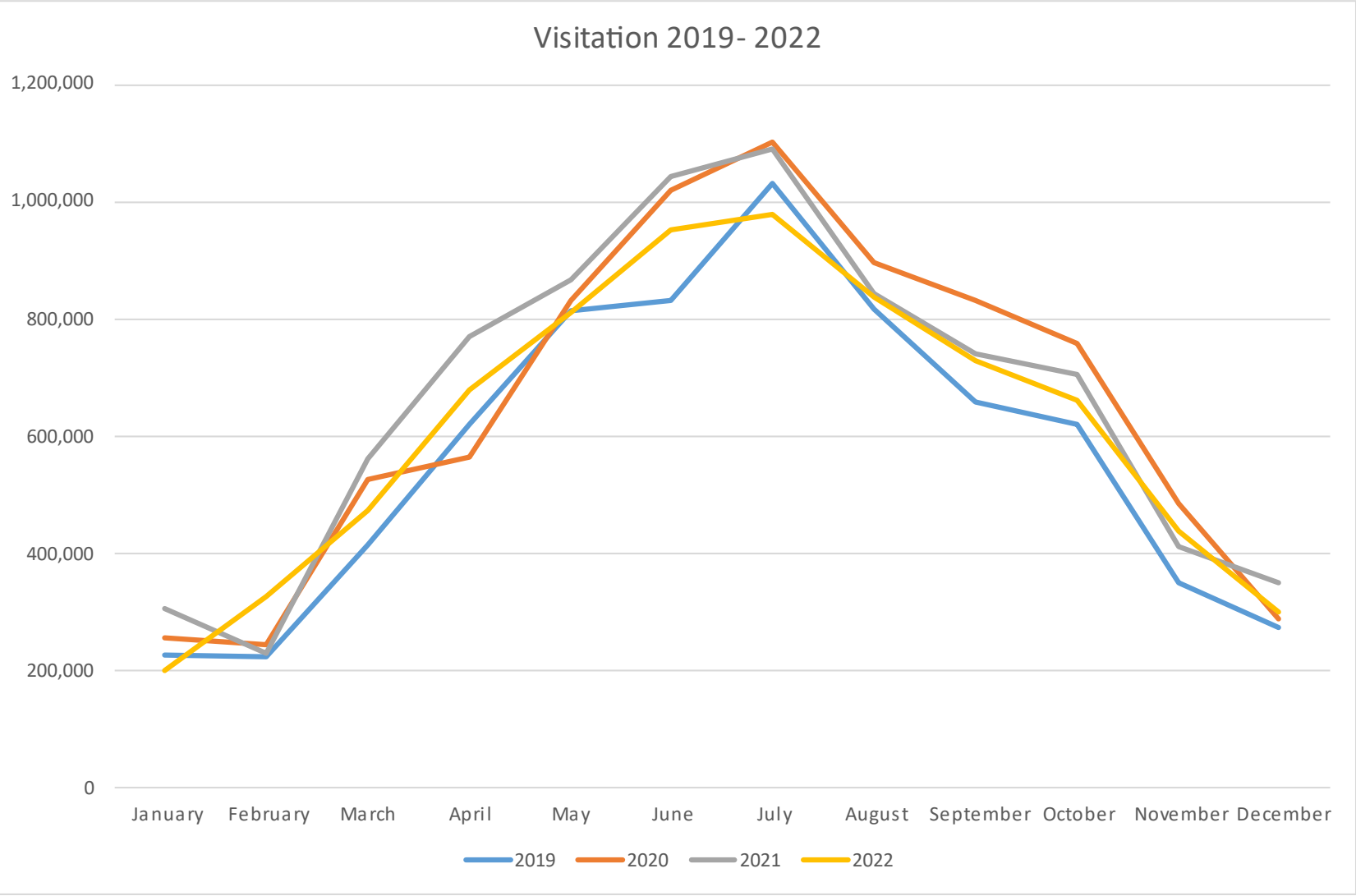
Virginia State Parks



State Parks – Overview



State Parks – Visitation



7,388,467 Visits in 2022

6.8% lower than 2021

7.3% higher than 2019

State Parks – Revenues

	FY2018	FY2019	FY2020	FY2021	FY2022
Cabins	\$ 6,747,717	\$ 6,373,517	\$ 5,388,294	\$ 7,908,430	\$ 7,330,819
Camping	\$ 5,801,775	\$ 5,264,895	\$ 6,216,073	\$ 8,289,955	\$ 8,805,012
Parking	\$ 3,582,097	\$ 3,896,855	\$ 5,292,409	\$ 7,412,955	\$ 6,626,440
Merchandise	\$ 2,876,003	\$ 2,969,889	\$ 2,724,310	\$ 4,125,750	\$ 4,209,914
Swimming	\$ 1,022,784	\$ 954,424	\$ 700,064	\$ 466,331	\$ 586,564
Admission	\$ 1,044,175	\$ 1,117,825	\$ 886,902	\$ 688,431	\$ 297,479
Reservation Fees	\$ 1,022,786	\$ 1,069,360	\$ 67,185	\$ 1,979,685	\$ 1,383,068
Food and Bev	\$ 895,385	\$ 768,085	\$ 472,292	\$ 161,296	\$ 271,673
Rental	\$ 393,239	\$ 373,555	\$ 364,520	\$ 417,494	\$ 356,487
Other	\$ 1,432,516	\$ 1,890,201	\$ 587,084	\$ 1,419,414	\$ 1,434,578
Grand Total	\$24,818,475	\$24,678,607	\$22,699,134	\$32,869,741	\$31,302,034

State Parks – Impact

- **Economic Impact**
 - \$324M in 2021
 - \$124M in out of state visitor spend
- **Educational Impact**
 - 250,000 participants
- **Investment Impact**
 - 15% return on investment
- **Resource Impact**
 - 75,895 protected acres of habitat
 - 34 National Historic Register sites



State Parks – FY24 Proposed Budget

General Fund	FY2024	MEL
State Parks – Support for Hayfields Operations	\$ 692,436	2
State Parks – Provide Free Admission to VNG Members	\$ 20,000	0
State Parks – Address Compression in LE personnel	\$ 358,675	0

Technical
State Parks – Hayfields Acquisition Language Adjustment

Capital	FY2023
State Parks – Phase I UST Removal and Replacement	\$3,000,000

Requested Amendment
State Parks & Natural Area Preserves – Amendments to C50 & C51

State Parks – Deferred Maintenance

Project	Amount
Building and Structures	\$ 112.9M
Campgrounds	\$18M
Cabins and Lodging	\$ 47.2M
Trails	\$ 46M
Utilities (Water, Sewer, Electric, and Fuel)	\$ 41.9M
Resiliency (Shoreline Erosion and Related Impacts)	\$ 33.2M
Marinas and Water Access Facilities	\$ 13.7M
Roads and Bridges	\$ 39.2M
Dams and Impoundments	\$ 4.8M
ADA	\$ 6.4M
Total	\$ 364M

State Parks – Deferred Maintenance

Cabin Example – Hungry Mother State Park



State Parks – FY23 Historic Investments

One-time funding to support deferred maintenance needs	\$45,000,000
Funding to support revenue generating facilities	\$10,000,000
Funding to support critical infrastructure needs	\$5,000,000
Funding to address shoreline erosion	\$22,300,000
Restore Green Pastures	\$5,000,000
Critical improvements at Machicomoco State Park	\$2,660,000
Belle Isle State Park Habitat Enhancement/Shoreline	\$2,156,350
Staunton River State Park – Lake Edmunds Dam	\$1,925,000
Belle Isle Historic Structure Stabilization / Restoration	\$1,500,000

State Parks – Historic Investments Cont.

- Anticipated use of \$45M Deferred Maintenance Funding
 - Repairs to revenue generating structures at Bell Isle State Park
 - Repairs to marina facilities and docks at Leesylvania and Claytor Lake State Parks
 - Water distribution system repairs at Hungry Mother, Douthat, James River, Grayson Highlands, Kiptopeke and Seven Bends State Parks
 - Boardwalk and trail repairs at First Landing State Park
 - Parking lot repairs at Lake Anna State Park
 - HVAC, roof replacement and paving projects throughout the system
 - Restroom replacement at Leesylvania and Natural Tunnel State Parks
 - Sewer system repairs at Shenandoah River State Park
 - Historic structure stabilization at Sky Meadows State Park

State Parks – Historic Investments Cont.

- Anticipated use of \$5M for Critical Infrastructure Repairs
 - Water and sewer repairs at Caledon, Pocahontas, and False Cape State Parks
 - Address \$1.1M in ADA compliance needs
 - Provide \$1.3M in road and bridge repairs



State Parks – Historic Investments Cont.

- Anticipated use of \$10M for Revenue Generating Facility Repairs
 - Repair and renovate a portion of the cabins at Claytor Lake State Park
 - Stabilize cabins at Hungry Mother State Park
 - Campground repairs
 - Replace fee collection stations at Westmoreland, Holliday Lake, and First Landing State Parks



State Parks – Historic Investments Cont.

- Anticipated use of \$3.75M Maintenance Reserve Allocation
 - Dredging of the channel at Kiptopeke State Park
 - Building repairs at Douthat, York River, James River, Claytor Lake, Bear Creek Lake, and Hungry Mother State Parks
 - Trail repairs and maintenance at First Landing, James River, High Bridge Trail State Parks
 - Utility repairs at Shenandoah River and Pocahontas State Parks
- Pool Projects
 - Kiptopeke Boat Ramp
 - Twin Lakes Visitor Center

Questions?